GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:4589
ANSWERED ON:12.08.2016
Review of PPP Model
Patel Shri Devji Mansingram

Will the Minister of FINANCE be pleased to state:

(a) the estimated profits being earned by the private companies in all the ongoing projects under the PPP model;

(b) whether there is any categorical policy as to so which development fee and toll tax are likely to be recovered from passengers at the airports and highway by these companies and if so, the details thereof;

(c) whether revenue collected from the general public is also included in the PPP model projects in addition to the funds from the Government exchequer and if so, the details thereof;

(d) whether the Government proposes to subject PPP model to State audit and if so, the details thereof; and

(e) if not, the reasons therefor?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI ARJUN RAM MEGHWAL)

(a) Public Private Partnership (PPP) Project in infrastructure means a project based on a contract or concession agreement, between a Government or statutory entity on one side and a private sector company on the other side, for delivering an infrastructure service on payment of user charges. Such projects are being undertaken by various different Sponsoring Authorities at Central and State and Local Bodies level. The data relating to profits being earned by the private companies is not captured centrally.

(b)&(c) Yes, Madam. Some Concessions provide for authorizing the Concessionaire to collect user fees, as per the Concession Agreement for the project signed with the Public Authority. Further, all sources of revenue, including fees/tolls, etc. collected from the user are factored into the financial model when structuring a project for delivery through the PPP model.

(d)&(e) All aspects of the public sector role in a PPP project starting from the pre-procurement stage to the end of the Concession period, i.e, the return of the asset to the Public Authority, are subject to statutory audit. Further, SPVs formed for implementation of PPP projects are covered by the Company's Act 2013 and the prescribed audit procedure therein.